

Currencies – The Most Under-Offered Asset Class in the ETP Landscape

FX Metrix, LLC Research

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Over recent years, exchange traded products (ETPs) including ETFs and the like have become one of the most popular investment vehicles for both retail and institutional investors. With over \$1 trillion in assets under management in ETPs, one might think the market has no more opportunities for product innovation. However with regards to currencies, it is quite the opposite.

FX Metrix Research has found that there is **an underwhelming representation of ETPs in currencies compared to other asset classes** in the ETP landscape. Meaning, there is a place for new and innovative investment products that give investors diversified exposure to otherwise unoffered markets.

As seen below, compared to other asset classes, there are relatively few offerings for investors in the currency landscape according to data from ETFdb¹. With only 36 offerings in currencies compared to 1,201 offerings in equities – the imbalance is clear. **There are over 33 times more ETP offerings in the equities asset class than currencies despite currencies being the largest asset class with respects to volume².**

ETP Offerings by Asset Class

Offerings	Currencies	Equities	Bonds	Commodities
Vanilla ETPs	24	977	250	91
2x Leveraged ETPs	7	91	10	18
3x Leveraged ETPs	0	58	11	8
Inverse ETPs	5	75	24	18
Total ETPs	36	1,201	295	135

Looking at the data, we see that there is a lack of leveraged as well as inverse ETP offerings in the currency asset class. Despite seven 2x leveraged offerings in the currency category, there are currently no ETPs that offer investors 3x leverage. Lastly, the number of inverse offerings available to investors in the currency space is very limited. As seen above, the asset class with the lowest number of inverse as well as total offerings is currencies.

This shows **that despite the growth of the ETP market to over \$1 trillion in the last 20 years, there is still opportunity for more growth and innovation.** At FX Metrix, we focus on building currency-based indices to be used in various applications throughout the financial world. We look forward to helping fill this gap in the ETP landscape to offer investors increased variety as well as unique exposure.

To learn more about FX Metrix or to join our newsletter, please visit our website at www.fx-metrix.com.

¹ ETFdb.com provides information on ETF investing. For more information, visit www.ETFdb.com.

² The 2013 Triennial Central Bank Survey conducted by the Bank for International Settlements estimates global FX market activity to be \$5.3 trillion per day. For the full report, visit www.bis.org/publ/rpfx13fx.pdf.